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**REPORT TO THE COMMITTEE
ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES**

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**Problems In Administering Two
Eligibility Aspects -- Incapacity
And Unemployment -- In The Aid
To Families With Dependent Children
Program In Pennsylvania**

B 164031(3)

Social and Rehabilitation Service
Department of Health, Education,
and Welfare

B-164031 (3)

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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JUNE 27, 1973



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D C 20548

B-164031(3)

The Honorable Wilbur D. Mills
Chairman, Committee on Ways and Means 12100
House of Representatives

Dear Mr. Chairman

This is the last of two reports which you requested on April 4, 1972, on the operation of certain aspects of Pennsylvania's welfare program. This report deals with problems in administering two eligibility aspects--incapacity and unemployment--in the Aid to Families with Dependent Children program in Pennsylvania. At the Federal level, the Social and Rehabilitation Service of the Department of Health, Education, and Welfare is responsible for administering the program.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

Comptroller General
of the United States

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ABBREVIATIONS

AFDC	Aid to Families with Dependent Children
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare

COMPTROLLER GENERAL'S REPORT TO
THE COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

PROBLEMS IN ADMINISTERING TWO
ELIGIBILITY ASPECTS--INCAPACITY
AND UNEMPLOYMENT--IN THE AID TO
FAMILIES WITH DEPENDENT CHILDREN
PROGRAM IN PENNSYLVANIA
Social and Rehabilitation Service
Department of Health, Education,
and Welfare B-164031(3)

D I G E S T

WHY THE REVIEW WAS MADE

To better understand problems involved in administering two eligibility aspects--incapacity and unemployment--in the Aid to Families with Dependent Children (AFDC) program, the Committee on Ways and Means, House of Representatives, asked GAO to review these aspects of the program in Pennsylvania

AFDC is a grant-in-aid program authorized by the Social Security Act in which the Department of Health, Education, and Welfare (HEW) shares operating costs incurred by the States

The act specifies that a dependent child, to qualify for AFDC, must be needy (under the State's standard) and deprived of parental support or care by reason of a parent's death, continued absence from home, physical or mental incapacity or, at the option of a State, the unemployment of the father

Most children and families qualify for AFDC because the father is continually absent from home. The family can remain intact and still receive AFDC benefits, however, if one of the parents is physically or mentally incapacitated or if the father is unemployed

GAO made this review in 11 Pennsylvania counties that accounted for about 71 percent of its regular AFDC cases (119,000 of 168,000 cases) and 91 percent of its unemployed-father cases (3,400 of 3,700 cases)

FINDINGS AND CONCLUSIONS

GAO's findings and conclusions are based on analyses of records of 2 randomly selected samples of AFDC cases in the 11 counties in April 1972. One contained 174 incapacity cases, the other contained 145 unemployed-father cases

Administration of the incapacity and unemployed-father aspects of the AFDC program has not been effective in Pennsylvania. Problems, which have existed for a long time, have been caused by inadequate guidance by HEW, fiscal problems in the State, and increasing AFDC case-loads

Types of incapacities

Until 1970 Pennsylvania's welfare regulations stipulated that, for a parent to be eligible for AFDC because of an incapacity, the incapacity had to be serious enough to affect his ability to support or care for a child

Because of continually increasing caseloads, larger expenditures for welfare, and a general fiscal crisis, the State broadened its definition of incapacity in 1970. Recipients with minor impairments, such as needs for eyeglasses or dentures, became eligible for AFDC. Many families previously eligible only for State assistance were included in the AFDC program, thereby conserving State outlays while increasing Federal matching funds for the State.

The State could do this because Federal regulations and HEW's Handbook of Public Assistance have not described an applicant's eligibility in terms of the extent to which his incapacity must affect his ability to support or care for the child.

GAO estimates that parents with minor impairments were receiving AFDC in about 1,900, or 11.5 percent, of the estimated 16,600 incapacity AFDC cases in the 11 counties. (See pp 11 to 14)

Verification of incapacity

Generally, HEW and Pennsylvania require such nonvisible impairments as tuberculosis or hernias to be supported by evidence from competent medical authorities.

GAO estimates that nonvisible impairments were inadequately verified for about 5,810, or 35 percent, of all incapacity cases in the 11 counties. Not all of these cases may be ineligible, but since eligibility was not adequately verified the State does not have proper control over this aspect of the AFDC program. (See pp 15 and 21)

Verification of eligibility factors for unemployed fathers

Pennsylvania requires caseworkers to verify that applicants meet all eligibility criteria and that decisions are documented in the case records.

GAO estimates that initial eligibility information was not adequately verified in 2,400, or 71 percent, of the 3,382 unemployed-father cases in the 11 counties. (See pp 24 and 31)

Federal regulations prohibit a father who is employed more than 100 hours a month from receiving assistance under the unemployed-father portion of the AFDC program. GAO estimates that in 700, or about 21 percent, of all the unemployed-father cases in the 11 counties, the number of hours worked was not verified adequately. (See pp 28 and 29)

Late, inadequate, or overdue eligibility redeterminations

Federal and State regulations require periodic redeterminations to insure that recipients continue to meet eligibility criteria. Pennsylvania requires that redeterminations be made not less than every 3 months for incapacity and unemployed-father cases.

HEW policy is to not reimburse States--beyond the redetermination due date--for amounts paid to recipients found to be ineligible through subsequent redeterminations. Although GAO recommended to HEW in 1970 that it develop plans to implement this policy, there was no indication that it had tried to do so in Pennsylvania.

GAO estimated that, in about 12,200, or about 74 percent, of the estimated 16,600 incapacity cases and in about 2,730, or about 81 percent, of the unemployed-father cases in the 11 counties, redeterminations either were late, inadequate, or overdue (See pp 21 and 22 and 31 to 33.) The State must make more adequate and timely redeterminations to insure that incapacity and unemployed-father cases remain eligible for AFDC.

Increased case loads and insufficient staff

Between June 1966 and January 1971, welfare recipients in Pennsylvania increased by 111 percent, from 357,800 to 755,100, welfare staff increased by only 56 percent. Lack of revenues and consequent need for austerity in hiring hindered State efforts to deal with increased welfare rolls (See pp 34 to 36)

Inadequately trained caseworkers

Although HEW requires States to have inservice training for their welfare staffs, HEW has not monitored or evaluated the adequacy of State inservice training

HEW has not developed specific criteria for measuring effectiveness of State training programs. Thus, it cannot provide guidance which could directly assist the States in improving their training programs.

Caseworkers in Pennsylvania did not have sufficient formal training to determine eligibility properly, most training was on the job. The State provided little direction as to what training should

be provided to caseworkers (See pp 36 and 37)

State efforts to correct problems

Pennsylvania Department of Public Welfare officials have recognized that administration of the incapacity and unemployed-father aspects of the AFDC program has not been effective, and they have begun to improve the program's administration (See pp 34 to 37.)

Since January 1971 the State has increased its welfare staff in the counties by 2,600, of which about 70 percent are caseworkers. It has opened 18 new welfare offices since 1971 to relieve overcrowding in established welfare offices and to reduce caseloads.

In May 1972 the State implemented a State-wide training program for new staff members. It also plans a retraining program for caseworkers already employed. Until the State begins this retraining and monitors its effect, however, GAO believes problems will continue in determining and redetermining eligibility.

GAO believes that, if these actions are carried out effectively, the State can better control eligibility determinations of incapacity and unemployed-father cases.

RECOMMENDATIONS OR SUGGESTIONS

HEW should

- Revise Title 45, Code of Federal Regulations, section 233.90 (c) (1) in such a manner that, for an applicant to be eligible for AFDC because of an incapacity, the incapacity must have a direct or immediately apparent bearing

on diminishing parental support or care to the child

- Insure that all State plans conform to the revised regulation as soon as possible after its issuance.
- Determine whether initial eligibility and redetermination problems similar to those in Pennsylvania exist nationwide
- Take the necessary action, including implementation of its policy of reducing the Federal share of welfare payments to recipients whose ineligibility is detected after redeterminations are due, to insure that States improve their eligibility and redetermination processes.
- Reexamine its procedures for evaluating State training programs

for welfare staff and develop specific criteria for measuring their effectiveness.

- Work closely with the States in reviewing State training and performance assessment programs for welfare staff (See pp 38 to 40.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW generally agreed with GAO's findings and recommendations, and has taken or agreed to take action to implement them (See app VII.)

Pennsylvania also generally agreed with GAO's findings and conclusions. The State noted that it had resolved its fiscal problems and that welfare caseloads are dropping because of tighter administrative controls. It noted, however, that it has not received "constructive help from HEW " (See app VIII)

CHAPTER 1

INTRODUCTION

The Congress has been concerned for some time about whether States are effectively determining the eligibility of welfare applicants. To better understand the problems involved in administering two eligibility aspects--incapacity and unemployment--in the Aid to Families with Dependent Children (AFDC) program, the Committee on Ways and Means, House of Representatives, asked GAO to review these aspects of the program in Pennsylvania.

AFDC PROGRAM

The AFDC program is the major welfare program authorized by the Social Security Act ¹

Program objectives

AFDC payments are made to supplement the income and resources of needy persons or families so that they can maintain a minimum standard of living. Cash assistance payments cover the costs for food, shelter, clothing, and other necessary items of daily living. Under the program States provide financial assistance or foster care to needy, dependent children residing in their own homes or in the homes of relatives. Payments include an amount for the child and for one or both parents in the home or for another caretaker relative. Payments are also made for children in foster homes or institutions and for repair to homes in which needy families with dependent children reside.

The program provides incentives to encourage parents or caretakers to obtain employment by allowing certain work-related expenses and income to be excluded when determining the amount of assistance payments.

¹The public assistance programs authorized by the Social Security Act are usually grouped into two categories--AFDC and the adult programs for the aged, blind, and disabled.

Federal requirements for eligibility

The Social Security Act specifies two conditions a dependent child must meet for the family to qualify for AFDC. He must be needy under the State's standards of assistance and deprived of parental support or care by reason of the parent's death, continued absence from the home, or physical or mental incapacity of a parent or, at the option of a State, the unemployment of the father. Pennsylvania is among the 23 States which have chosen to include the father's unemployment as an eligibility condition. (See chs. 2 and 3.) Also, a child must be under 18 years of age (under 21 if attending school) and living in the home of a parent or other relative or under certain foster-care conditions.

Most children and families become eligible for AFDC because the father is continually absent from the home, that is, he has deserted, separated from, divorced, or not married the mother.

In other cases, however, the family remains together and still receives AFDC benefits. When both parents are in the home, AFDC will still be provided if one of the parents is physically or mentally incapacitated so as to cause deprivation and if a financial need exists.

Similarly, under the unemployed-father segment of the program, the father may remain with the family and receive AFDC, provided a financial need exists and certain other eligibility criteria, including parental deprivation, are met.

Federal and State administration

AFDC is a grant-in-aid program in which the Department of Health, Education, and Welfare (HEW) shares the costs incurred by the States in furnishing financial assistance to needy families. The Federal share of States' expenditures for payments to recipients varies from State to State. It has been about 55 percent in Pennsylvania since fiscal year 1969.

Although HEW, through the Social and Rehabilitation Service, is responsible for establishing policies for administering AFDC, each State administers its own program. A State

prepares its plan which, when approved by HEW, is the basis for the Federal grants to the State HEW is responsible for (1) insuring that each State plan contains the provisions required by law and by Federal regulations and (2) monitoring the State's AFDC program activities for compliance with its approved plan

The HEW regional office in Philadelphia is responsible for surveillance and general administrative direction for the federally assisted public assistance programs, including AFDC, in Pennsylvania The HEW Audit Agency is responsible for auditing the way that Federal and State agencies discharge their responsibilities for these programs

AFDC program in Pennsylvania

In Pennsylvania the public assistance programs are administered through 67 county assistance offices supervised by the State Department of Public Welfare County boards of assistance, whose members are appointed by the Governor, are responsible for hiring all staff members who work in the county welfare offices and for developing operating procedures to implement State policies and regulations

The following statistics show the total expenditures for AFDC grants to recipients and the average number of AFDC recipients in Pennsylvania for fiscal years 1969 through 1972.

	<u>Fiscal year</u>			
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
	—————(millions)—————			
Total AFDC public assistance grants	\$184.9	\$286.0	\$415.2	\$480.4
Federal share	102.3	160.1	226.6	263.0
	—————(thousands)—————			
AFDC families				
With unemployed fathers	2.9	2.3	3.2	3.6
Others	<u>76.8</u>	<u>101.7</u>	<u>138.1</u>	<u>163.0</u>
Total	<u>79.7</u>	<u>104.0</u>	<u>141.3</u>	<u>166.6</u>
Recipients	332.6	417.7	555.9	642.2
Children	241.3	298.9	388.5	443.1

Pennsylvania ranked third in total AFDC expenditures nationwide for fiscal year 1972. AFDC accounted for about 81 percent of all assistance payments and 87 percent of all recipients under the federally supported public assistance programs in Pennsylvania in fiscal year 1972.

The State also provides cash grants under a general assistance program to needy persons not eligible for assistance under any of the federally supported programs. Financial need is the primary criterion for such assistance. There is no requirement that deprivation exist because of a parent's absence, incapacity, or unemployment. Thus, even though they do not qualify for AFDC, families can receive general assistance because they are in need.

The general assistance program, supported completely by State funds, provided about \$133 million in cash grants in fiscal year 1972, the monthly caseload averaged about 109,000. The caseload has nearly tripled since 1968.

SCOPE OF REVIEW

To determine how the State administered the incapacity and unemployment aspects of eligibility, we analyzed the case records of 2 randomly selected samples from the AFDC rolls in 11 counties as of April 1972. One sample consisted of 174 incapacity cases, the other consisted of 145 unemployed-father cases.

These 11 counties accounted for about 119,000, or 71 percent, of the State's 168,000 regular AFDC cases, they accounted for about 3,400, or 91 percent, of the State's total 3,700 unemployed-father cases. (See table below.)

The results from our review indicate, we believe, how well the State is administering the incapacity and unemployed-father aspects of the AFDC program.

<u>County</u>	<u>Percent of State AFDC caseload</u>	
	<u>Regular cases</u>	<u>Unemployed-father cases</u>
Allegheny	14 7	7 1
Bucks	2 6	2 1
Cumberland	3	0
Dauphin	2 9	1 4
Delaware	3 4	3 8
Lancaster	1 5	0
Montgomery	1 9	6
Philadelphia	38 4	72 1
Washington	1 8	3
Westmoreland	2 0	3 1
York	<u>1 5</u>	<u>9</u>
Total	<u>71 0</u>	<u>91.4</u>

We selected both urban and rural counties geographically dispersed throughout the State, some of which had high percentages of the State's AFDC cases

For incapacity cases, we examined records concerning (1) the type of incapacity that qualified persons for AFDC, (2) the method of establishing and verifying the incapacity, and (3) the way the State insured continued eligibility

For the unemployed-father aspect of the AFDC program, we reviewed the State's manner of establishing initial eligibility and monitoring the cases to insure continued eligibility.

CHAPTER 2

PROBLEMS IN ADMINISTERING THE INCAPACITY ASPECT

The incapacity aspect of the AFDC program has not been administered effectively, and thus Pennsylvania cannot assure HEW that many persons receiving AFDC are eligible for such assistance

We estimated that about 11.5 percent of the estimated 16,600 incapacity recipients of AFDC in the 11 counties had minor impairments which apparently did not affect their ability to support or care for their children. We estimated that incapacities were inadequately verified in about 35 percent of the 16,600 cases and that, in about 74 percent of the cases, redeterminations were late, inadequate, or overdue.

Persons with minor impairments received AFDC because Federal regulations and HEW's Handbook of Public Assistance do not describe an applicant's eligibility in terms of the extent to which an incapacity must affect his ability to support or care for the child. Pennsylvania interpreted these regulations to mean that assistance could be provided to applicants with minor impairments.

The State, contrary to HEW regulations, has not adequately verified the incapacity of applicants when establishing or redetermining eligibility. Eligibility redeterminations often have been inadequate, late, or overdue.

A number of circumstances in Pennsylvania contributed to this improper verification of incapacities and eligibility of persons receiving AFDC. These included

- Inadequate staff for rapid caseload increases. As a result, applications were processed rapidly to reduce the backlog, adequate verification of eligibility information was precluded, and there was a tendency to rely on applicants' statements.
- Inadequate training and monitoring of staff performance.
- Inadequate space or facilities in some areas.

These causes are discussed in more detail in chapter 4.

PROBLEMS IN DEFINING INCAPACITY

A main issue in defining an incapacity qualifying a person for AFDC is whether it is serious enough to affect the parent's ability to support or care for the child. Section 406(a) of title IV of the Social Security Act provides

"The term dependent child means a needy child (1) who has been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent "

The act does not contemplate that applicants for AFDC may become eligible for assistance on the basis of minor impairments which have no bearing on a parent's ability to support or care for the child

In 1946 HEW added to its Handbook of Public Assistance a section (3423 2) which defined incapacity as any physical or mental defect, illness, or disability. HEW required each State to develop a definition of incapacity but did not require it to establish the degree to which a parent's incapacity impaired his ability to support or care for the child

Title 45, Code of Federal Regulations, section 233 90(c) (1)(iv), issued on February 27, 1971, states

"Physical or mental incapacity of a parent may be deemed to exist when one parent has a physical or mental defect, illness, or disability, whatever its cause, degree, or duration, or accompanying factors "

This regulation gives the States considerable latitude in defining the extent of the incapacity. Most States, however, require that the incapacity be severe enough to affect the parent's ability to support or care for the child. Several States' definitions of incapacity are presented in appendix I

Pennsylvania's interpretation

Until September 1970 Pennsylvania's welfare regulations stipulated that the degree of a parent's incapacity and his ability to support or care for a child had to be directly related for the family to be declared eligible for AFDC. This definition was consistent with those of most other States

Because of continually increasing caseloads, larger expenditures for welfare, and a general fiscal crisis, the State broadened its definition during 1970. Persons with minor impairments became eligible for AFDC. Many families previously eligible only for general assistance were transferred to AFDC, thereby conserving State general assistance outlays at the expense of increased matching Federal funds for AFDC.

A March 1970 memorandum from the State Department of Public Welfare to county offices described the existing fiscal conditions and some of the actions recommended to reduce State welfare expenditures. Excerpts follow:

"The number of people requiring financial assistance continues to increase each month, far exceeding our best estimates of the State funds required to finance the Public Assistance Program. It is therefore more important than ever before that all public assistance payments eligible for Federal matching to be so classified. The purpose of this memorandum is to secure your active participation in seeing to it that every possible case eligible for [AFDC] * * * is correctly classified in [this category]."

On recommendation of a task force appointed at the direction of the Secretary, I [Commissioner, Office of Family Services] am requesting County Offices to take the following steps:

* * * * *

- "2 Utilize the presumptive eligibility provisions (Manual 3626) to their fullest. This means that cases should be classified as [AFDC] at application or any other time when there is evidence of a disabling condition even though the full social or medical information may not be available. If the disability decision is completed in the PE [presumptive eligibility] period, federal matching is available for the full period. If the disability decision is not made by the end of the PE period, federal matching for the period is lost. But we at least have a chance of full Federal financial participation.

with presumptive eligibility, without it there is none until the disability is established

"3 Review all [general assistance (GA)] cases with children under age 21. The conditions under which regular [AFDC] may be granted are such that relatively few families with children will not qualify. I call your attention particularly to the fact that a major or minor impairment (physical, mental or emotional) of either parent qualifies the family as an [AFDC] family. Please note also Manual 3131, a condition of eligibility for GA is that the person or family does not qualify for a federal category. GA case records covering families with children should contain a statement of why the family is not eligible for [AFDC] "

To increase the likelihood that general assistance cases could be reclassified as AFDC cases, the State issued a memorandum in July 1970 stating that it was adopting a new, more liberal interpretation of incapacity as an eligibility factor for AFDC. Pertinent provisions of the memorandum are cited below

"Any physical or mental impairment even of a minor nature, of either parent, qualifies the family as an AFDC family. It is no longer necessary to show that the impairment limits the parent's ability to support or care for the child, only that incapacity exists

"Visual or hearing defects, even though corrected by means of eyeglasses, or hearing aid, are examples of easily overlooked impairments "

This new definition, incorporated formally into the State plan which was approved by HEW, became effective September 1, 1970. State officials advised us that with the broadened definition of incapacity, the State saved about \$12 million in fiscal year 1971 by transferring welfare recipients from general assistance to AFDC.

HEW's redefinition of incapacity

In January 1972 HEW issued a memorandum to the States to clarify its 1946 definition of incapacity. The

memorandum states that, in addition to showing that an incapacity exists it must interfere with the ability of a parent to support or care for a needy child. The memorandum states also that, if a physical condition is corrected so that it no longer interferes with this ability, the child can no longer be considered deprived on that basis.

Although the memorandum states that HEW wants to avoid abuses by States in determining the existence of an incapacity, HEW did not require States to revise definitions which conflicted with the memorandum. No change was made to the appropriate Federal regulation. Thus, HEW's actions did little to insure that abuses would not occur or continue.

Proposed State action

Under pressure from the State legislature to tighten eligibility requirements for persons with minor incapacities, the Pennsylvania Department of Public Welfare proposed to revise its definition of incapacity in April 1972. The revision was to provide a method for determining when a parent's physical or mental impairment would not affect the parent's capacity for support or care. The proposed revision provided that common minor impairments, such as corrected visual or dental defects, were incapacitating only if they affected the parent's employability or earning power.

In May 1972 HEW advised the State that the proposed revision was unacceptable because any impairment, minor or otherwise, had to affect the parent's "full functioning capacity" and deprive the child of support or care. According to HEW officials, the proposed change was not sufficiently comprehensive because it applied only to common minor impairments rather than to all impairments or defects and did not clearly provide for testing a corrected impairment against the full functioning criteria.

State welfare officials advised us that they discontinued further action on the proposed revision because (1) HEW did not require States to comply with the January 1972 clarification and (2) the State plan approved by HEW in September 1970 was still valid and met Federal regulations. HEW regional officials advised us that the State plan was still valid. They believed the State was continuing to process the proposed change until we advised them otherwise.

PENNSYLVANIA'S ADMINISTRATION

We reviewed the State's administration of the incapacity aspect by analyzing a random sample of welfare case records selected from the AFDC caseload in the 11 counties to determine

- the types of incapacities which qualified recipients for welfare,
- the adequacy of determinations of eligibility, and
- the timeliness and adequacy of redeterminations of eligibility

Because Pennsylvania does not maintain a master list of incapacity cases, an AFDC incapacity case can be identified only by reviewing the individual case record. Therefore, we selected a random sample of 1,250 cases from the AFDC universe (excluding unemployed fathers) of 119,000 cases in the 11 counties and analyzed the 174 cases determined eligible because of incapacity.

This sample size enabled us to estimate the number and percentage of incapacity cases with a statistical reliability of 95 percent and a sampling error of 2 percent. We estimate, therefore, that about 14 percent, plus or minus 2 percent, of the 119,000 cases (16,000, plus or minus 2,280, cases) in the 11 counties were incapacity cases.

Types of incapacities

On the basis of our tests, we classified the types of incapacities that qualified the estimated 16,600 cases into the general medical categories listed below.

<u>Category</u>	<u>Estimated number of cases</u>	<u>Estimated percent of incapacity cases</u>	<u>Estimated percent of AFDC universe (note a)</u>
Audio-visual-dental	2,860	17.2	2.4
Cardiovascular	1,050	6.3	.9
Endocrine (glandular)	570	3.4	.5
Gastrointestinal	670	4.0	.6
Genitourinary	570	3.4	.5
Neurological	860	5.2	.7
Orthopedic	3,520	21.4	3.0
Psychological	1,710	10.3	1.4
Respiratory	1,240	7.5	1.0
Multiple	1,620	9.8	1.4
Other	290	1.7	.2
None (no incapacity)	<u>1,620</u>	<u>9.8</u>	<u>1.4</u>
Total	^b <u>16,580</u>	<u>100.0</u>	<u>14.0</u>

^a Sampling error at the 95-percent confidence level ranged from 0.3 to 0.9 percent

^b Figures do not total 16,600 because of rounding

We were unable to determine in many of our sample cases whether incapacities, such as those caused by neurological, endocrine, or respiratory problems, were major or minor or whether they affected the ability of the parent to support or care for the child. Case records lacked sufficient information, and in some instances the incapacity was described in such vague terms as illness, nerves, back pains, or poor blood.

As shown in the above table, we estimated that in 2,860, or 17.2 percent, of the estimated 16,600 incapacity cases, parents were considered incapacitated because they had teeth missing, wore eyeglasses, or had hearing problems. Of this number, we estimate that in about 1,900, or 11.5 percent, of the incapacity cases in the 11 counties, the recipients had minor impairments, such as needing eyeglasses or dentures, which apparently did not affect their ability to support or care for their children. We believe that such impairments, especially those corrected by eyeglasses or dentures, usually

would not be considered an incapacity which affected the parent's ability to support or care for the child County welfare officials generally agreed with our opinion Details on sample cases are shown in appendix II

On the basis of the type of these incapacities, we question whether the children should have been considered deprived of parental support or care by reason of incapacity and considered eligible for AFDC Such cases, however, might be eligible for State-funded general assistance

Several illustrative cases are discussed below

Case "F" (See app II)

This AFDC family unit included a father and mother and their four children who were receiving AFDC because the father was considered incapacitated due to missing teeth Two children by the mother's former marriage also lived with the family but were not included in the AFDC family unit, they each received social security benefits of \$146 a month because their father was deceased

The family's AFDC grant for April 1972 was \$258 after considering the father's net earnings of \$318 from full-time employment The grant for July was reduced to \$155 and was based on the father's gross business income of \$664 and the mother's earnings of \$179. In computing the grant, income exclusions and work-related expenses were deducted from income and the balance was applied to the AFDC standard needs or grant allowance of \$347 for a family unit of six persons in that county Details of the grant computations are shown below

	<u>April</u>	<u>July</u>
Income		
Father's income from his automobile repair business	^a \$318	\$664
Mother's income from waitress job	<u>-</u>	<u>179</u>
Total	318	843
Less income exclusions and work- related expenses		
Incentive deduction (\$30 plus one- third of the remainder of gross wages)	\$126	\$301
Payroll taxes	34	106
Other	69	89
Business expenses (rent \$60, truck \$75, auditor \$20) (note a)	<u>-</u>	<u>155</u>
Total	<u>229</u>	<u>651</u>
Net pay for computing AFDC grant	\$ <u>89</u>	\$ <u>192</u>
AFDC standard needs amount (note b)	\$347	\$347
Less net pay computed above	<u>89</u>	<u>192</u>
AFDC grant amount	\$ <u>258</u>	\$ <u>155</u>

^a In the grant computation for April, the father's business expenses, \$268, were deducted from his income, \$586, to arrive at net earnings, \$318, before applying the incentive deduction. This is the correct way to consider business earnings. In July the State incorrectly deducted business expenses after the incentive deduction, resulting in too large a grant.

^b The standard needs amount was established by the State welfare agency as the amount needed by a family to obtain the basic necessities of life, such as food, clothing, shelter, and incidentals. In Pennsylvania, separate standards have been established for specific geographical locations. The standards vary depending on the costs for shelter and utilities in each location.

If the family had applied for general assistance rather than AFDC in April and July, the grant amount should have been computed as follows

	<u>April</u>	<u>July</u>
Gross income	\$586	\$843
Less business expenses	<u>268</u>	<u>155</u>
Net income	318	688
Less income exclusion and work-related expenses		
Incentive deduction (limited to \$50 under State's general assistance program)	\$50	\$ 50
Payroll taxes	34	106
Other	<u>69</u>	<u>89</u>
Total	<u>153</u>	<u>245</u>
Net pay for computing grant	<u>\$165</u>	<u>\$443</u>
Standard needs amount	\$347	\$347
Less net pay computed above	<u>165</u>	443
General assistance grant amount	<u>\$182</u>	-

Case "K" (See app II.)

This AFDC family unit of seven persons was receiving a monthly grant of \$175. The father, who was employed full time and was earning \$619 a month, was considered incapacitated because he wore eyeglasses

Because of the father's income level, the family could not receive assistance under the State-funded general assistance program. Grant computations for each program are shown below

	<u>AFDC program</u>	<u>General assistance program</u>
Gross income	\$619	\$619
Less income exclusions and work-related expenses		
Incentive deduction (\$30 plus one-third of the remainder of gross wages)	\$226	^a \$ 50
Work-related expenses	<u>134</u>	<u>134</u>
Total	<u>360</u>	<u>184</u>
Net pay for computing grant	<u>\$259</u>	<u>\$435</u>
Standard needs amount	\$434	\$434
Less net pay computed above	<u>259</u>	435
Grant amount	<u>\$175</u>	-

^aThe State limits the incentive deduction to \$50 under its general assistance program

We estimate that in about 1,620, or 9.8 percent, of the estimated 16,600 cases, the case records either did not indicate an incapacity or indicated that there was no current incapacity. Details on the sample cases from which we made this estimate are shown in appendix III.

Inadequate initial verification of incapacity

Federal and Pennsylvania criteria for initial verification of incapacity are basically the same. The existence of such visible impairments as a missing hand can be supported by the recorded observation of the caseworker. Nonvisible impairments, such as tuberculosis or hernias, must be supported by evidence from competent authorities, such as physicians, clinics, or hospitals. The State requires that evidence substantiating the initial and continued eligibility for AFDC be recorded in the case file.

Our sample of 174 cases included 39 visible impairments and 118 nonvisible impairments. The records on the remaining 17 cases did not identify the type of the incapacity and in some instances indicated none. We considered all of the visible impairments to have been verified adequately on the basis of the caseworkers' observations. This category included persons which the State considered incapacitated because they wore glasses or had teeth missing.

On the basis of our tests, we estimated that nonvisible impairments were inadequately verified in about 5,810, or 35 percent, of the estimated 16,600 incapacity cases in the 11 counties. Although it cannot be said that all these cases are ineligible, the fact that eligibility was not adequately verified indicates that the State does not have proper control over this aspect of its program. In the sample cases which involved nonvisible impairments, the only support for their existence was applicants' statements citing such impairments as nerves, illness, back pains, and poor blood. There was no evidence that physicians or other competent authorities had substantiated the applicants' statements.

Applicants with nonvisible impairments should not have been determined eligible without verification by proper medical authorities, their impairments should have been documented in the case records. Because they were not, the State cannot be assured that all applicants were eligible.

State welfare officials stated that incapacities had not been adequately verified because of the constantly increasing workload, shortage of personnel, and lack of training of caseworkers. These factors are discussed in more detail in chapter 4.

Late, inadequate, and overdue eligibility redeterminations

Federal and Pennsylvania regulations require periodic redeterminations of eligibility to insure that recipients continue to meet eligibility requirements. Assistance payments should be discontinued when a redetermination discloses that a recipient is no longer eligible.

Close monitoring of certain incapacity cases is essential because of the types of the impairments cited in qualifying applicants. Some impairments, such as broken bones, although serious, may be of short duration. Others, such as diabetes, can be corrected or controlled by medical treatment, restoring the full functioning of the parent.

Federal regulations require that redeterminations for all AFDC cases be made at least every 6 months. Pennsylvania's regulations are more strict and require that redeterminations be made as often as appropriate for the individual case, but not less than every 6 months for regular cases nor less than every 3 months for high-risk cases. High-risk cases are those having a high potential for change, incapacity cases were included in this category starting in August 1971.

We estimate that, in about 74 percent of the estimated 16,600 incapacity cases, redeterminations were either late, inadequate, or overdue. (In our tests we used the 6-month Federal requirement to determine timeliness of redeterminations.) Caseworkers were more concerned with verifying financial information than with substantiating that the incapacity still existed.

The details of our estimates are presented below and problems causing this situation are discussed in chapter 4.

<u>Eligibility redeterminations</u>	<u>Estimated cases</u>	<u>Estimated percentages</u>
Not required (case less than 6 months old)	670	4.0
Adequate and timely	<u>3,710</u>	<u>22.4</u>
Subtotal	4,380	26.4
Overdue (note a)	2,380	14.4
Late and inadequate (note a)	4,090	24.7
Late but adequate	2,280	13.8
Timely but inadequate	<u>3,430</u>	<u>20.7</u>
Subtotal	<u>12,180</u>	<u>73.6</u>
Total	^b <u>16,560</u>	<u>100.0</u>

^aWe considered redeterminations late if they were made but were not timely. We considered redeterminations overdue if they were required but had not yet been made.

^bFigures do not total 16,600 because of rounding.

Without substantial improvements in the eligibility and redetermination processes, recipients could receive assistance beyond their periods of need and unnecessary Federal and State expenditures for AFDC assistance could be made

- In an estimated 11.5 percent of the incapacity cases, minor impairments were the basis for providing AFDC assistance.
- In an estimated 9.8 percent of the incapacity cases, there was no evidence of an incapacity or of the existence of a current incapacity
- In an estimated 35 percent of the cases, the nonvisible impairments were not verified adequately

Moreover, redeterminations in about 74 percent of the incapacity cases were either late, inadequate, or overdue. We believe that these results show that this aspect of Pennsylvania's AFDC program is not controlled effectively.

CHAPTER 3

PROBLEMS IN ADMINISTERING THE

UNEMPLOYED-FATHER ASPECT

The unemployed-father aspect of the AFDC program has not been administered effectively. On the basis of our random sample, we estimated that the initial or continued eligibility has not been adequately verified for about 3,000, or 90 percent, of the 3,382 unemployed-father cases in the 11 counties. These cases represent 91 percent of all unemployed-father cases in Pennsylvania. Problems have existed since at least 1970.

Because the working status of recipients is constantly changing and the eligibility criteria for this program are complex, the State's continual monitoring of recipients' situations is essential to insure continued eligibility and proper computation of grant amounts. The eligibility information also must be verified adequately if the program is to be administered effectively.

Although the State plan, approved by HEW, sets forth the criteria caseworkers should use to establish initial and continued eligibility, the criteria have not been followed. The State has not monitored this aspect of the program aggressively nor prescribed specific procedures for caseworkers to use in applying the criteria.

In many instances it appeared that only token efforts had been made to verify initial and continued eligibility. Caseworkers relied on the applicants' statements as the primary sources of information and did not obtain substantiating information, although there was a need to do so in some cases.

The causes of the inadequate verification of eligibility for unemployed fathers are basically the same as those that caused problems in administering the incapacity factor. They are discussed briefly in this chapter and in detail in chapter 4.

ELIGIBILITY CRITERIA

Criteria established by the Social Security Act, HEW, and Pennsylvania for eligibility under the unemployed-father aspect of the AFDC program require that the father

- be unemployed for at least 30 days immediately before he applies for assistance,
- not refuse, without good cause, a bona fide offer of employment or training within those 30 days,
- complete 6 or more quarters of work in any 13-calendar quarter period ending within 1 year before applying for public assistance and earn at least \$50 in each quarter,
- not receive unemployment compensation benefits from a State or the Federal Government, and
- be registered in the State employment agency--the Bureau of Employment Security in Pennsylvania

In addition, the father may

- work part time but not exceed 100 hours a month (35 hours a week before Nov 1, 1971) or
- be required to participate in on-the-job training under the Work Incentive (WIN) program or a project approved or recommended by the State employment agency

Neither HEW nor the State have prescribed specific procedures for caseworkers to verify eligibility. We believe, however, that, if certain actions, such as those discussed below, were systematically and routinely taken for each applicant, the State could better assure itself that all eligibility criteria are applied and verified properly. We believe the State should explore the feasibility of developing specific procedures to

- document the date the applicant last worked and determine that the applicant has been unemployed for 30 days,

- document the applicant's work history, as to months and years worked at various jobs, with collateral information from the State employment agency,
- insure that the applicant registers with the State employment agency,
- document whether the applicant is receiving or is eligible to receive unemployment compensation,
- follow up on an applicant's eligibility when it appears that the applicant might be eligible for unemployment compensation soon after applying for welfare,
- verify with appropriate sources, such as the State employment agency, whether the applicant has refused a bona fide work offer, and
- require applicants who are working part time to submit data on pay and hours worked and verify such information with the employer

As noted in chapter 2, Federal and Pennsylvania regulations require periodic redeterminations of eligibility. Federal regulations require redeterminations at least every 6 months for AFDC cases. As with incapacity cases, Pennsylvania regulations are more strict and require redeterminations as often as appropriate to the individual case but at least every 3 months for high-risk cases. The State considers all cases under the unemployed-father segment of the AFDC program to be high-risk cases.

VERIFYING ELIGIBILITY

The State requires caseworkers to verify that applicants meet all eligibility criteria when they establish initial eligibility and AFDC assistance is authorized because of an unemployed father. Caseworkers' determinations and decisions on eligibility should be adequately documented in the case records.

To determine whether the State correctly applied eligibility criteria and redetermined eligibility as required, we reviewed a randomly selected sample of 145 cases from a universe of 3,382 unemployed-father cases in the 11 counties.¹ The cases in these counties comprised about 91 percent of the total unemployed-father cases in Pennsylvania when we selected our sample.

Inadequate initial verification

On the basis of our tests we estimate that initial eligibility information was not adequately verified in 2,400 cases, or 71 percent of the 3,382 cases. The records of sample cases we used to estimate this lacked sufficient documentation to support the workers' decisions that the recipients met all requirements when initial eligibility was established.

We estimate that information was not verified for one or more requirements, as shown below.

<u>Eligibility requirements for unemployed father (note a)</u>	<u>Estimated cases with inadequate verification</u>	<u>Estimated percentages of total cases</u>
Had been unemployed for at least 30 days	1,380	40.7
Had not refused, without good cause, a bona fide offer of employment during such period	980	29.0
Had a work record	1,490	44.1
Was not receiving unemployment compensation	1,330	39.3
Was registered at Bureau of Em- ployment Security	1,000	29.7
If employed part time, was work- ing less than 100 hours a month	260	7.6

^aEach case could have more than one eligibility requirement verified inadequately.

¹This sample provides us a statistical reliability of 95 percent. The estimated percentages in chapter 3 have sampling errors ranging from 2.6 to 8.1 percent.

An example of a case in which eligibility was not properly determined involved a college student who received a semimonthly grant of \$125 for three persons in the family unit from February 3 to May 11, 1972. Payments totaled \$875. The caseworker determined that the applicant was initially eligible, even though there was no indication in the case record that the applicant had worked previously, had met the criteria for six or more work quarters, or had registered with the State employment agency. (See p. 25.)

Another recipient had previously received general assistance. The eligibility worker transferred the case to the AFDC program because the father was unemployed and authorized a semimonthly grant of \$169 for five persons in the family unit. Assistance payments totaled about \$3,400 from August 17, 1971, to June 15, 1972--the date we reviewed the case. The case records did not contain any documents or evidence of verification to support (1) the eligibility worker's decision to change the case to the federally supported AFDC program or (2) the recipient's eligibility under the unemployed-father program. In addition, eligibility was not redetermined during this period even though required by Federal and State regulations.

Other examples of inadequate verification of eligibility requirements follow.

Number of hours worked verified inadequately

Federal regulations prohibit a father who is employed more than 100 hours a month (35 hours a week before Nov. 1, 1971) from receiving assistance under the unemployed-father aspect of the AFDC program, regardless of earnings. Generally the case records we reviewed lacked sufficient documentation to indicate whether the father was employed. In those cases in which he was employed, the number of hours worked was generally not shown.

Usually information about an applicant's status was based on his statement, with no additional verification. We estimate that, in about 700, or about 21 percent, of the 3,382 unemployed-father cases, the number of hours worked was not verified adequately. In the sample cases we used to estimate this, records indicated that the fathers were working, but there was no evidence that the caseworker had

recorded or computed the number of hours worked. Information on many of these cases, however, showed that the fathers might have been working more hours than the allowable maximum.

Details on sample cases where the recipients were employed in April 1972 (when we took our sample) are provided in appendix IV.

Recipients received public assistance
and unemployment compensation

Federal regulations prohibit recipients under the unemployed-father aspect of the AFDC program from simultaneously receiving public assistance and unemployment compensation. We estimate that violations or apparent violations of this restriction existed in 420, or about 12 percent, of the 3,382 cases.

In an estimated 210 cases the recipients received public assistance and unemployment compensation simultaneously. In an estimated 90 of these cases the caseworkers recorded and deducted unemployment compensation in computing the recipient's public assistance grant. Details regarding the sample cases are contained in appendix V.

Welfare recipients may receive unemployment compensation under the regular AFDC program. In such cases these benefits are considered as income, and they reduce the welfare grant.

Caseworkers may have confused the differing requirements regarding unemployment compensation for the unemployed-father and the regular AFDC cases. This may have been why unemployed fathers, although receiving unemployment compensation, were determined to be eligible.

On the basis of our review of documents in the sample case records, we also estimate that in 210 other cases, caseworkers were aware from the recipients' employment registration cards that they were eligible for unemployment compensation but did not determine, or record in the file, whether they were receiving such benefits. There was no evidence in sample case records to indicate that the caseworkers had determined whether the recipients subsequently received such compensation. In all probability some of the estimated 210 recipients eventually applied for and

received unemployment compensation at the same time that they were receiving public assistance

Public assistance provided to strikers

Section 407(b)(2)(c)(1) of the Social Security Act requires fathers to register at the State employment agency to be eligible for assistance under the unemployed-father aspect of the AFDC program (See p 25) Pennsylvania law, however, prohibits the State employment agency from assisting, in any manner, any person who is on strike Thus, a striker who applied for public assistance under the unemployed-father aspect of the program would not be eligible because he could not register with the Pennsylvania employment agency

Despite this restriction, the State waived its plan requirement that fathers on strike had to register with the State employment agency to be eligible for AFDC HEW approved this waiver from the State plan in July 1970

We estimate that in 350, or 10 percent, of the 3,382 unemployed-father cases, recipients received public assistance while on strike (Details on sample cases are shown in app VI)

In applying the existing Federal regulation regarding the definition of an unemployed father, HEW policy has been to permit a State, at its option, to use a definition of unemployed father not only in terms of the hours of work but in terms of additional conditions relating to the reason for unemployment For example, the State definition might exclude a father whose unemployment results from participation in a labor dispute or who is unemployed by reason of conduct or circumstances disqualifying him for unemployment compensation under the State's unemployment compensation law In Davidson v Francis, the U S Supreme Court¹ summarily affirmed the judgment of the district court which held, in effect, that, while the Secretary of HEW has broad authority to define an unemployed father, the existing Federal regulation provided only an hours-of-work test and thus prohibits

¹Davidson v Francis, 340 F Supp 351 (D MD 1972), affmd. (Oct 16, 1972)

a State from excluding fathers who meet this test but are disqualified for unemployment compensations

The effect of the ruling made it necessary for HEW to clarify the issue of whether strikers could receive AFDC. On January 3, 1973, HEW announced it was seeking public comment on two alternative proposed regulations regarding the question of providing aid to unemployed fathers while they are on strike. Under one alternative States would continue to have the option to not provide assistance to unemployed fathers who are on strike. The other alternative would make the number of hours worked the only criterion for determining eligibility for the unemployed-father program.

Adoption of either alternative will clarify the Federal Government's position on this issue. If the first alternative is adopted, HEW's position will be that it is not illegal to provide strikers assistance under the unemployed-father program. The States, therefore, will have the option to determine whether they want to adopt such a policy. If the second alternative is adopted, Federal policy would be that strikers must be provided AFDC under the unemployed-father program if they have financial need and meet the requirement regarding hours of work.

Inadequate, late, and overdue eligibility redeterminations

As noted on page 26, in Pennsylvania eligibility must be redetermined at least every 3 months for unemployed-father cases. We used the 3-month criterion to determine the timeliness of redeterminations. We estimate that in only 650, or about 19 percent, of the 3,382 cases, redeterminations were adequate and timely. We estimate that, in about 2,730, or about 81 percent, of all the cases, redeterminations were inadequate, late, or overdue, as shown below.

<u>Eligibility redeterminations</u>	<u>Estimated cases</u>	<u>Estimated percentages</u>
Adequate and timely	650	19.3
Overdue	630	18.6
Late and inadequate	1,330	39.3
Late but adequate	540	15.9
Timely but inadequate	230	6.9
Subtotal	<u>2,730</u>	<u>80.7</u>
Total	^a <u>3,380</u>	<u>100.0</u>

^aDoes not total 3,382 due to rounding

For the sample cases for which redeterminations were late or overdue, the periods of delinquency generally ranged from 1 to 12 months. For sample cases for which redeterminations were eventually made (late cases), they were delayed an average of about 6 months. For cases for which redeterminations had not yet been made at the time of our fieldwork, they were overdue an average of about 4 months.

We considered eligibility redeterminations to be inadequate when case records (1) did not contain evidence of determinations by the caseworkers that the recipients met requirements for continued eligibility, or (2) indicated questionable circumstances or conflicting information bearing on eligibility that had not been investigated or resolved by the caseworker.

Generally the records for our sample cases indicated that caseworkers contacted the recipients and noted "eligibility redetermined." Caseworkers recorded information about living conditions, health, family problems, birth of children, and other data. In some instances, caseworkers recorded information, such as employment status of family members, registration or referrals to the State employment agency, referrals to work-training programs, and unemployment compensation received or pending, but the records generally did not indicate that these matters had been investigated and verified to insure that the recipients remained eligible.

For example, in one case in which eligibility continued from November 1968 to May 1972, the caseworker noted in redeterminations that the father (1) was employed as a construction worker at various times, (2) had received unemployment compensation at various intervals, (3) had refused to register at the State employment agency several times, and (4) had refused several job offers. Yet, there was no evidence in the files that the caseworker, in making any of the redeterminations, had examined or pursued these matters to determine their effect on the father's eligibility. In each instance the record indicated that the recipient was redetermined to be eligible and continued to receive assistance.

In October 1971 the caseworker finally requested from the State employment agency a record of unemployment compensation paid to the recipient. The agency's reply showed that the recipient had received benefits totaling \$1,595 since January 1971. In January 1972 the caseworker notified the

recipient that action would be taken to collect overpayments of public assistance. In May 1972 the recipient's wife reported that he had deserted the family. The case was transferred to the regular AFDC rolls. Public assistance was paid continuously throughout the 3-1/2 years in amounts totaling about \$10,400.

In one case eligibility had not been redetermined for 7 months after initial eligibility had been established. An applicant was determined eligible as an unemployed father on January 4, 1972, a semimonthly grant of \$184 was authorized for six members of the family. As of August 1972, when we reviewed the case, eligibility had not been redetermined. It should have been done in April and July. The recipient received assistance payments of about \$2,760 for the 7 months.

In another case a recipient began receiving aid under the unemployed-father aspect of the program on February 26, 1971, after stopping work as a student barber. A semimonthly grant of \$168.40 was authorized for his five-member family. His eligibility was not redetermined until April 4, 1972, or 13 months after the initial determination. The recipient, who received about \$4,380 during a period when four redeterminations should have been made, was determined to be eligible when the redetermination was finally made. The State, however, had no assurance that he had been eligible for the entire period during which redeterminations were not made.

In a third case, the first redetermination was made 19 months late. Although the records indicated that the recipient was employed and received unemployment compensation for part of this period, these matters were not investigated to determine their effect on his eligibility.

The State must make timely redeterminations to insure that recipients of assistance under the unemployed-father aspect of the AFDC program remain eligible.

CHAPTER 4

CAUSES OF PROBLEMS AND CORRECTIVE ACTIONS

The causes of the problems the State has experienced in making adequate eligibility determinations for incapacity and unemployed-father cases were basically the same. They included

- rapidly increasing caseloads coupled with insufficient staff and
- inadequately trained caseworkers and a lack of adequate monitoring of staff performance.

Federal regulations have caused, to some extent, ineffective administration of the incapacity aspect. Although the Social Security Act does not contemplate that applicants for AFDC may become eligible for assistance on the basis of minor impairments which have no bearing on a parent's ability to support or care for a child, HEW regulations do not require that there be a causal relationship between the severity of an incapacity and the parent's ability to support or care for a child. (See pp. 11 to 15)

INCREASED CASELOADS AND INSUFFICIENT STAFF

Between June 1966 and January 1971, the number of persons receiving public assistance in the State increased by 111 percent from about 357,800 to 755,100. During the same period, welfare staffs in the county offices increased by only 56 percent, from about 4,700 in June 1966 to 7,300 in January 1971. The lack of State general-fund revenues and the subsequent need for austerity in hiring severely hindered the State's efforts to deal with the growth in the welfare rolls.

The following data for Philadelphia County illustrates the increasing caseload and staffing problems. The county had the largest welfare caseload in the State between January 1969 and June 1972.

	<u>Cases</u>	<u>Appli- cations received</u>	<u>Case- workers</u>	<u>Cases per caseworker</u>
1969				
January	59,748	6,317	510	117
June	67,348	5,673	525	128
December	76,037	6,218	563	135
1970				
June	88,501	7,771	568	154
December	101,299	9,513	603	168
1971				
June	110,328	9,633	700	158
December	121,405	9,099	692	175
1972				
June	125,684	7,908	785	160

During the period covered by the above table, the number of welfare cases in Philadelphia County increased by 110 percent compared with an increase in caseworkers of only 54 percent. At various times the county received almost 10,000 applications a month. State and local officials advised us that lack of sufficient staff was also a critical problem in most other counties in the State.

The State public welfare department recognized the need to augment its staff to handle the increasing number of cases. Before 1971, however, its requests for additional personnel were unsuccessful generally because of State-wide budgetary constraints.

In January 1971 a new State administration, which also recognized the need for additional staff, took office. Due to budgetary restrictions, however, hiring of the critically needed staff did not begin until late 1971, after a State personal income tax was enacted and the operating budget for fiscal year 1972 was passed. The fiscal year 1972 budget authorized the welfare department to hire 1,624 persons to augment staff in county assistance offices.

State officials advised us that as of November 1972 the State had increased its welfare staff in the counties by about 2,600. About 70 percent of the increase was for staff directly involved in dealing with welfare recipients.

To help relieve overcrowded work conditions in established welfare offices and reduce the caseload for each caseworker in those offices, the State has opened 18 new welfare district offices since January 1971. Some recipients served by the established offices were assigned to the new offices

INADEQUATELY TRAINED CASEWORKERS

HEW regulations require States to have programs of continuing inservice training for their welfare agency staff to improve the operation of State welfare programs and to insure a high quality of service. In July 1972 the Social and Rehabilitation Service distributed tentative instructions to its regional staff for monitoring State and local training programs. The instructions identified the need for monitoring inservice training but did not specify either the need for an indepth review of such training or the specific criteria for measuring its effectiveness.

Generally HEW has not monitored or evaluated the adequacy of the States' inservice training programs for caseworkers. Thus, although HEW regional staff in Philadelphia has discussed with Pennsylvania welfare officials the need for the State to improve its inservice training, the regional staff has been unable to provide the type of guidance which could directly assist the State in doing so.

Because of the problems noted in chapters 2 and 3, it appears that caseworkers in Pennsylvania did not have sufficient formal training. Most training was on the job and was the responsibility of the county offices. The extent of training could therefore vary considerably, depending on the emphasis the county offices placed on it. There was little central State direction as to what training should be provided to welfare workers

Also, no State-wide system existed for evaluating caseworkers' performances in determining applicants' eligibility. The State did not stress to caseworkers the need to improve their performances, even though there was evidence that they were not determining or redetermining eligibility properly. The counties generally measured performance on their own initiative and in their own way.

State agencies--such as the Auditor General's office--responsible for reviewing Pennsylvania's welfare operations identified the lack of adequate training as a major factor preventing effective administration of the program. We believe training is especially important because caseworkers rely primarily on applicants' statements when determining eligibility and must judge when and how to verify eligibility information. They must also know when verification is required, such as in incapacity cases, and what specific steps to follow in such cases. To exercise proper judgment caseworkers need proper training, adequate supervision, and periodic performance evaluations.

In May 1972 the State initiated a standard training program for new caseworkers. This program was an effort to insure uniformity of policy interpretation and procedural integrity and to insure thorough training of new staff members before they assumed their work duties. Welfare department staffs throughout the State are assisting the county offices in the new training program.

The State also has plans to implement retraining for caseworkers and supervisors already employed by the welfare department. We believe problems will continue to exist in determining and redetermining eligibility until the State begins this retraining and monitors its effects.

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The State recognizes these problems and is acting to eliminate them. If these actions are implemented effectively, the State will achieve better control over the eligibility of recipients under the incapacity and unemployed-father segments of the AFDC program. HEW must act further, however, to define how severe an incapacity must be to affect the ability of the parent to support or care for the child to insure that those with relatively minor correctable incapacities do not receive AFDC assistance.

CHAPTER 5

CONCLUSIONS, RECOMMENDATIONS, AGENCY COMMENTS, AND ACTIONS

Administration of the incapacity and unemployed-father aspects of the AFDC program has not been effective in Pennsylvania for a considerable time and has been adversely influenced by circumstances, such as ineffective guidance by HEW, fiscal problems in the State, and increasing AFDC caseloads.

HEW and the State need to act if improvements are to be made

INCAPACITY

The Social Security Act does not contemplate that minor impairments, having no bearing on a parent's ability to support or care for a child, could qualify applicants for AFDC. HEW's regulations, however, have not clearly stated this

Recommendation to the Secretary of HEW

The Secretary of HEW should

- Revise Title 45, Code of Federal Regulations, section 233.90 (c) (1) in such a manner that, for an applicant to be eligible for AFDC because of an incapacity, the incapacity must have a direct or immediately apparent bearing on diminishing parental support or care to the child
- Take appropriate action to insure that all State plans conform to the revised regulation as soon as possible after its issuance.

PROGRAM ADMINISTRATION

Eligibility, because of incapacity or unemployment, was inadequately verified, and eligibility redeterminations for both often were inadequate, late, or overdue. Control of the program cannot be insured unless certain problems are overcome

Eligibility determinations

Although we made our review only in Pennsylvania, we believe that similar conditions might exist in other States. Caseloads have increased everywhere, most States have complicated welfare regulations, most States have experienced fiscal problems regarding expenditures for welfare, the applicant is the primary source of information in most States, and HEW regional staff in all parts of the country are provided basically the same guidance by HEW headquarters. Although HEW has begun to obtain data on the extent to which redeterminations are overdue and their effect on eligibility and payments, it does not know the extent to which these eligibility problems exist nationwide.

If redeterminations are not made when required, HEW policy is to not reimburse States--beyond the redetermination due date--for amounts paid to recipients found ineligible by subsequent redeterminations. In a report to the Secretary of HEW (B-164031(3), May 15, 1970), we recommended that HEW develop appropriate plans for implementing its policy of reducing the Federal share of public assistance payments to recipients whose ineligibilities are detected after redeterminations are due. There was no indication that HEW tried to implement this policy in Pennsylvania.

Recommendation to the Secretary of HEW

We recommend that the Secretary of HEW direct the Social and Rehabilitation Service to

- Determine whether initial eligibility and redetermination problems similar to those in Pennsylvania exist on a nationwide scale.
- Take the necessary action, including implementing its policy of reducing the Federal share of public assistance payments to recipients whose ineligibility is detected after the time redeterminations are due, to insure that States improve their eligibility determination and redetermination processes.

Training

Better training of caseworkers should result in more adequate eligibility determinations since the caseworker is

one of the keys to effective administration of the welfare program So that staff performance can be improved, the State should

- emphasize retraining caseworkers,
- effectively monitor staff performance, and
- consider the feasibility of developing systematic procedures to assist caseworkers in verifying eligibility

Recommendation to the Secretary of HEW

We recommend that the Secretary of HEW direct the Social and Rehabilitation Service to

- Reexamine its existing procedures for monitoring and evaluating State training programs for welfare staff with a goal for developing specific criteria for measuring the effectiveness of such programs
- Work closely with the States in reviewing State training and performance assessment programs for welfare staff.

AGENCY COMMENTS AND ACTIONS

HEW advised us by letter dated April 19, 1973, that it generally agreed with our findings and recommendations and has taken or agreed to take action to implement our recommendations. (See app VII)

HEW agreed to revise title 45, Code of Federal Regulations, section 233 90(c)(1) in accordance with our recommendation

HEW stated that new regulations to control welfare ineligibility in chapter II, title 45, section 205.41 of the United States Code, published in the Federal Register on April 6, 1973, require each State to conduct an intensive 6-month eligibility review from April through September 1973 These reviews will help clarify the extent of initial eligibility and redetermination problems nationwide HEW stated also that these regulations will provide that the rate of Federal financial participation in State expenditures be

correlated with the extent to which States are able to meet certain goals on ineligibility and incorrect payment rates. This action should enable States to identify recipients whose ineligibility is detected after the time redeterminations are due and enable HEW to reduce the Federal share of incorrect welfare payments to such recipients.

HEW stated that, by June 30, 1974, it plans to have reviewed all States' inservice training programs for staff working in the AFDC program to determine whether they are effective and to provide technical assistance to help States comply with governing training regulations and instructions.

Pennsylvania advised us by letter dated April 10, 1973, that our findings and conclusions were generally correct (See app VIII) Pennsylvania noted that it has recently tightened up administration of the public assistance programs, and that as of April 1973 the number of persons on public assistance had dropped by more than 65,000 in the last year. Pennsylvania also noted that the eligibility requirements for the unemployed-father program are very complex and that HEW has not provided technical assistance or served as a clearinghouse for exchanging certain hard-to-discover information necessary to verify an applicant's eligibility for the program.

EXAMPLES OF STATE INCAPACITY DEFINITIONS

CALIFORNIA

A condition which (1) prevents mother from giving her child normal care, or (2) prevents father from working full-time on a job he is accustomed or qualified to work on

COLORADO

A condition which substantially precludes the parent from engaging in a gainful or useful occupation including homemaking

DISTRICT OF COLUMBIA

Any physical or mental impairment that prevents a parent from working full-time

ILLINOIS

A condition which (1) prevents parent from obtaining full-time employment, (2) results in parent being paid on a reduced wage basis for the same job, or (3) prevents mother from giving her child normal care

MASSACHUSETTS

Any physical or mental defect, illness, or disability which interferes with the full functioning of a parent which is known to deprive a child of support or care
Inability of parent to perform his or her gainful work or occupation

MICHIGAN

A condition for 3 months or longer that results in parent's inability to engage in full-time employment
The disability must be remediable through treatment or surgery and a suitable plan for treatment is available
If parent refuses treatment, eligibility is denied

NEBRASKA

Any physical or mental illness, disability or defect which is a major cause of the parent's inability to provide support or care for the child

APPENDIX I

NEW HAMPSHIRE

A child is eligible for AFDC when deprived of parental support or care by reason of physical or mental incapacity for more than 3 months following date of application

NEW JERSEY

A condition which results in (1) inability to engage in full-time gainful employment by reason of a physical or mental defect, or (2) inability to assume full responsibility for homemaking and child care

NEW YORK

Any physical or mental illness or handicap which limits ability of the parent to provide full support or care, or prevents mother from assuming full responsibility for homemaking. A woman during pregnancy is deemed incapacitated from the 4th month to birth

OHIO

A child may be deprived of parental support or care by reason of physical or mental incapacity. The impairment must preclude the applicant from providing support or care for the family

OKLAHOMA

Any departure from healthy conditions which impairs the parent's capacity to function normally in the role as a wage earner and homemaker

TEXAS

A restriction of the occupational ability of the parent to the extent that the parent cannot provide parental support of at least 2 months (temporary or total incapacity). Also, in the case of the mother being incapacitated, the father must stay at home to care for the children or he must hire an outsider to do so

MINOR INCAPACITY CASES DETERMINED ELIGIBLE FOR
AFDC BECAUSE PARENT HAD TEETH MISSING
OR WORE EYEGLASSES (note a)

Case	Number in family	AFDC assistance		Monthly earnings (note c)	April 1972 AFDC grant (note d)
		Starting date	Months (note b)		
A	9	3-24-71	14	\$500	\$ 314
B	5	9-23-70	22	-	305
C	4	12-27-71	6-1/2	-	275
D	3	2-23-72	5	271	265
E	3	12-17-71	7-1/2	-	265
F	6	2-10-72	5	586	258
G	10	11-16-71	6-1/2	581	249
H	3	3- 6-72	4	-	229
I	3	6-28-71	10	634	229
J	4	3- 1-72	3-1/2	-	198
K	7	1-16-71	8-1/2	619	175
L	6	4-26-72	7	688	160
M	3	6-22-71	12-1/2	130	150
N	4	11-12-71	7-1/2	-	149
O	4	12- 2-71	8	-	112
P	5	4-22-71	13-1/2	484	108
Q	3	4-27-71	15-1/2	561	42
R	4	2- 9-72	6	-	39
S	2	8-19-71	9-1/2	382	35
T	8	2-24-71	17	498	28
Total					<u>\$3,585</u>

^aDiscussed on p 16

^bAverage time the recipients received AFDC assistance, based on a parent's minor incapacity, was about 9 months

^cNot necessarily related to the April 1972 AFDC grant amount but reported by the recipients while they were receiving AFDC assistance

^dEstimated by doubling the semimonthly grant amount paid to the recipient in April 1972, when we selected our sample

APPENDIX III

INCAPACITY CASES RECEIVING AFDC ALTHOUGH
TYPE OF PARENT'S INCAPACITY WAS NOT INDICATED
IN CASE RECORDS (note a)

Case	Number in family	AFDC assistance		Monthly income (note c)	April 1972 AFDC grant (note d)
		Starting date	Months (note b)		
A	7	7-21-72	(note e)	\$ -	\$ 434
B	7	4-16-70	28	652	418
C	4	1-20-72	6-1/2	-	380
D	5	12-31-71	7	300	345
E	12	8-21-71	10-1/2	312	319
F	4	1- 9-70	32	256	301
G	4	2-15-72	4	-	301
H	9	12-29-70	18-1/2	f465	301
I	4	9-23-70	22	-	292
J	4	9-13-71	11	-	281
K	9	6- 1-70	25	-	262
L	3	12-28-71	7	-	252
M	3	5-12-71	14-1/2	-	240
N	5	3-20-72	4	374	205
O	7	11-16-71	8-1/2	790	139
P	3	1-15-72	6	179	85
Q	4	12-20-71	7	460	45
Total					<u>\$4,600</u>

^a Discussed on p 21

^b Average time the recipients received AFDC assistance, based on a parent's incapacity, was about 13 months

^c Not necessarily related to the April 1972 AFDC grant amount but reported by the recipients while they were receiving AFDC assistance

^d Estimated by doubling the semimonthly grant amount paid to the recipient in April 1972, when we selected our sample

^e The case records showed no incapacity when eligibility was redetermined on July 21, 1972. This case was active since at least January 1970 on the basis of incapacity conditions noted in the case records before July 1972

^f The father is a construction worker whose reported earnings ranged from \$465 in March 1972 to \$1,582 in June 1972

APPENDIX IV

UNEMPLOYED-FATHER CASES RECEIVING AFDC IN
APRIL 1972 WHILE THE FATHER MIGHT HAVE BEEN WORKING
MORE THAN MAXIMUM ALLOWABLE HOURS (note a)

Case	Number in family	Date of initial eligibility	Employment data (during AFDC assistance)				April 1972 AFDC grant (note c)
			Date started	Months (note b)	Monthly earnings		
					Date	Amount	
A	12	6-21-71	April 1972	1-1/2	April 1972	\$256	\$ 648
B	9	7-12-67	Dec 1971	5	Dec 1971	412	399
C	5	8-11-71	3- 6-72	1	Not recorded	(note d)	345
D	4	1-11-71	4- 3-72 ^a	1	Not recorded	(note d)	301
E	4	1-10-72	4-11-72	2	Not recorded	(note d)	301
F	6	2- 4-72	Jan 1972	3	Not recorded	(note d)	300
G	10	6-25-70	5- 2-67	25-1/2	July 1972	815	296
H	4	12-10-69	June 1970	25-1/2	June 1972	508	260
I	7	2-15-72	2-15-72	9	April 1972	396	258
J	3	2-10-72	1-19-72	2	Jan 1972	338	252
K	4	4-16-71	3-15-71	14	March 1971	265	238
L	6	2-18-70	11-16-71	7	June 1972	427	194
M	3	2- 7-72	April 1972	3	April 1972	558	158
N	6	1-28-69	8- 7-69	30	March 1972	525	137
O	3	2-16-71	9-10-71	9	Not recorded	(note d)	95
P	3	11-23-70	2-11-72	6	April 1972	446	71
Total							<u>\$4,253</u>

^aDiscussed on p 28

^bEstimated by us on basis of recorded date of initial eligibility and starting date of initial eligibility and starting date of employment until time of our review. The average time the recipients received AFDC assistance under such conditions was about 9 months

^cEstimated by doubling the semimonthly grant amount paid to the recipient in April 1972, when we selected our sample

^dCase records showed that the recipient was employed but wages or hours worked were not documented

APPENDIX V

UNEMPLOYED-FATHER CASES RECEIVING AFDC

AND UNEMPLOYMENT COMPENSATION BENEFITS

SIMULTANEOUSLY (note a)

<u>Case</u>	Number in <u>family</u>	Period of concurrent payments		April 1972 AFDC grant amount (note c)
		<u>Starting date</u>	<u>Estimated months (note b)</u>	
A	12	3- 2-72	1-1/2	\$ 648
B (note d)	6	3-23-68	Not determined	360
C	6	1-15-70	3-1/2	341
D	4	1-13-71	8	301
E (note d)	4	2-11-71	Not determined	301
F	3	1- 4-72	4-1/2	250
G	6	8-26-71	3	194
H (note d)	3	11-12-71	5	141
I (note d)	6	10-30-71	5	<u>108</u>
Total				<u>\$2,644</u>

^aDiscussed on p 29.

^bAverage time the recipients received AFDC assistance and unemployment compensation benefits simultaneously was about 4 months.

^cEstimated by doubling the semimonthly grant amount paid to the recipient in April 1972, when we selected our sample.

^dCase records showed that the unemployment compensation benefits were deducted in computing the recipients's AFDC grant amount

UNEMPLOYED-FATHER CASES DETERMINED ELIGIBLE
FOR AFDC WHILE FATHER WAS ON STRIKE (note a)

<u>Case</u>	<u>Number in family</u>	<u>AFDC assistance</u>		<u>April 1972 AFDC grant (note c)</u>
		<u>Date of initial eligibility</u>	<u>Months (note b)</u>	
A	10	12- 2-71	5	\$ 521
B	8	5-28-70	26	468
C	7	6- 1-70	26-1/2	423
D	6	3-17-72	1-1/2	360
E	6	2-29-72	5	347
F	4	3-27-72	3	301
G	4	6- 1-70	24	301
H	7	3-23-72	1-1/2	299
I	3	10- 8-71	7	252
J	3	1-21-72	4-1/2	244
K	3	2-24-72	2	238
L	3	10-19-71	9-1/2	232
M	3	1-13-72	7-1/2	232
N	6	3-27-72	4-1/2	220
O	3	2- 7-72	5-1/2	<u>158</u>
Total				<u>\$4,596</u>

^aDiscussed on p 30.

^bAverage time the recipients received AFDC assistance after becoming eligible while the father was on strike was about 9 months.

^cEstimated by doubling the semimonthly grant amount paid to the recipient in April 1972, when we selected our sample.

APPENDIX VII



DEPARTMENT OF HEALTH EDUCATION AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON D C 20201

APR 19 1973

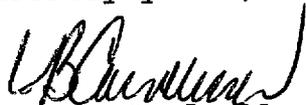
Mr. Franklin A. Curtis
Associate Director
Manpower and Welfare Division
U S. General Accounting Office
Washington, D.C. 20548

Dear Mr Curtis

The Secretary has asked that I reply to your letter of March 6, 1973, in which you asked for our comments on a draft report entitled, "Problems in Administering Two Eligibility Aspects - Incapacity and Unemployment - in the Aid to Families with Dependent Children Program in Pennsylvania." Our comments are enclosed.

We appreciate the opportunity to review and comment on this report in draft form.

Sincerely yours,


James B. Cardwell
Assistant Secretary, Comptroller

Enclosure

HEW RESPONSE TO GAO DRAFT AUDIT REPORT ENTITLED, "PROBLEMS IN ADMINISTERING TWO ELIGIBILITY ASPECTS - INCAPACITY AND UNEMPLOYMENT--IN THE AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM IN PENNSYLVANIA"

GAO Recommendation

HEW should

Revise Title 45 CFR, section 233.90(c)(1) in such manner that, for an applicant to be eligible for AFDC because of an incapacity, the incapacity must have a direct or immediately apparent bearing on diminishing parental support or care to the child

Department Response

We concur and will revise the cited section in accordance with the GAO recommendation

GAO Recommendation

HEW should.

Take appropriate action to assure that all State plans conform to the revised regulation as soon as possible after its issuance.

Department Response

We concur, and will follow our routine procedure in cases of this type at the time the recommended change is incorporated into the Code of Federal Regulations (CFR). Our practice is that when a change is made in the CFR, the States are provided with a preprinted version of a State Plan Amendment. Each State is asked to sign and return a copy of the change. Sometime later, the State's instructions to their staffs are reviewed to assure that they are consistent with the commitment made in the signed Plan Amendment. These steps we feel provide adequate assurance that State Plans do appropriately conform to revised regulations.

GAO Recommendation

HEW should.

Determine whether initial eligibility and redetermination problems similar to those in Pennsylvania exist on a nationwide scale.

APPENDIX VII

Department Response

Under new regulations issued by the Department in the Federal Register on April 6, 1973 (Chapter II, Title 45, Section 205 41) each State welfare agency will conduct an intensive six-month base period eligibility review--April through September 1973--refining their quality control systems in the process. During the period October to November 30, 1973, the base period eligibility and overpayment rates will be furnished to HEW along with a comprehensive corrective action plan. These rates will help clarify the extent of initial eligibility and redetermination problems on a nationwide scale.

GAO Recommendation

HEW should.

Take the necessary action, including implementation of its policy of reducing the Federal share of welfare payments to recipients whose ineligibility is detected after the time redeterminations are due to insure that States improve their eligibility and redetermination processes

Department Response

The new regulations mentioned previously provide for more comprehensive quality control plans to assure more reliable identification and elimination of the causes of erroneous payments, and to establish reasonable targets for eliminating error which States are expected to achieve commencing January 1, 1974. In preparation for the more vigorous program of corrective action, it is anticipated that States will compile accurate data for the period April 1, 1973, to September 30, 1973, establishing the incidence of, and overpayments to eligible cases. The data for this period will provide a standard against which subsequent State activity to reduce error will be measured. The rate of Federal financial participation in State expenditures will correlate with the extent to which States meet their individualized goals, with a view to achieving, by the six-month period beginning January 1, 1975, interim national tolerance levels of 3 percent on assistance to ineligibles and 5 percent on overpayments to eligibles, and will subsequently depend on reduction of error below such levels.

Other Federal regulations or statutes that may impede the reduction of error are being identified, and where appropriate, corrective actions are being initiated. As an adjunct to the aggressive program to reduce errors, proposed regulatory changes related to eligibility determination methods, fair hearings, and overpayments to individuals are being issued. These changes draw upon the advice and expertise of State and local welfare administrators.

GAO Recommendation

HEW should

Reexamine its existing procedures for monitoring and evaluating State training programs for welfare staff, with a goal of developing specific criteria against which to measure the effectiveness of such programs

Work closely with the States in reviewing State training and performance assessment programs for welfare staff.

Department Response

We concur. It is the goal of the Department that by June 30, 1974, the inservice training programs in all Aid to Families with Dependent Children related State agencies will have been reviewed and monitored under the coordination of the Washington Central Office of the Social and Rehabilitation Service of the Department through action with the Regions to determine if (1) DHEW training policies are meeting the needs of the AFDC related State agencies, (2) the State plan for staff development is being followed, (3) funds being spent for training are most effectively used, including a determination of the amount spent for what types of training, and (4) to provide technical assistance to help States be in compliance with governing training regulations and instructions.

The reviews will be made by regional staff development specialists who will be accompanied, where possible, by a regional program representative. The Regional staff will be joined by Headquarters program and training specialists in at least one visit per region. The results of the reviews will be coordinated throughout the Department to determine necessary action indicated by the review findings. In addition, the regional staff development specialists will be providing technical assistance, monitoring, and assistance to the States to improve their training systems.

APPENDIX VIII



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
HARRISBURG

HELENE WOHLGEMUTH
SECRETARY

April 10, 1973

TELEPHONE NUMBER
787 2600 787 3600
AREA CODE 717

Mr Franklin A Curtis
Associate Director
Manpower and Welfare Division
United States General Accounting Office
Washington, D C 20548

Dear Mr Curtis

Thank you for sending a draft of the report concerning your findings on Pennsylvania's administration of the incapacity and unemployment regulations in the Aid to Families with Dependent Children Program

As you are aware, this is the second half of the report requested by the House Ways and Means Committee made in response to a request of certain Republican Congressmen and Pennsylvania State Senators in March of 1972

I am pleased that you agree that the Pennsylvania Department of Public Welfare's policy with regard to impairment in the AFDC Program complies with federal regulations, 45 CFR 233 90 while conserving State funds We estimate that the savings to the State reaches approximately twelve million dollars without reducing benefits to persons who are entitled to them

It is somewhat unfortunate that much of the auditor's time had to be spent with the unemployed fathers segment of the AFDC Program That program accounts for less than 2% of the AFDC caseload This is particularly true when the major conclusion, insufficient verification and documentation, was well known before the study began

Since January of 1971 the Pennsylvania Department of Public Welfare, under the Shapp Administration, has worked strenuously to tighten up the Public Assistance system without reducing benefits to clients Over the last twelve months, this approach has been remarkably successful As of this date, the number of persons on

Mr Franklin A Curtis

April 10, 1973

Public Assistance in Pennsylvania has dropped by more than 65,000 persons within the last year. This drop is a direct result of efforts to require thorough verification, timely redeterminations, and extensive field reviews. The SWEEP Program referred to in previous correspondence, coupled with Public Assistance Memorandum 1181, Memorandum 1181, Supplement No 1, and Memorandum 1213, has brought accountability to the Pennsylvania Public Assistance system.

The improved Pennsylvania position is also the result of extensive training now furnished all new assistance technicians and a substantial decline in the turnover of employees. Working conditions for the employees have been improved through additional office space.

I believe that a few additional points should be noted in reading the report.

The percentage used by the auditors in their report were extrapolations from small samples. In addition, the figures do not represent unduplicated cases.

Case F set out in the report clearly reflects the difficulties the ordinary assistance technician has in determining eligibility and the amount of the grant. Pennsylvania has tried for two years to obtain some relief from the thirty and one-third requirements imposed by the Federal Government and has received no assistance in this regard.

I note with interest your calculations for Case K which compared benefits under the AFDC Program and the General Assistance Program funded solely by the Pennsylvania taxpayers. I wonder why a similar comparison was not made for Case F. I think you would have obtained a different result.

(11)

The Unemployed Father aspect of the report fails to reflect the unrealistic complexities of the federally prescribed program. Although the report makes a number of suggestions as to specific procedures to verify certain hard-to-discover facts, it should be pointed out that HEW has provided absolutely no assistance either in providing technical help or in serving as a clearing house for the exchange of such information. Pennsylvania, without HEW help, and over their objections, has abolished the simplified method for the AFDC Program and requires more frequent redeterminations. We have begun to work out a cooperative arrangement with the Pennsylvania Bureau of Employment Security in order to secure data presently stored on computer tapes.

The conclusion of the report says that lack of effectiveness in the incapacity and unemployed father aspects of the AFDC Program

¹GAO note This calculation appears on page 19

APPENDIX VIII

Mr Franklin A Curtis

April 10, 1973

was due to State fiscal problems and increasing caseloads in addition to ineffective guidance from HEW The State of Pennsylvania has put its fiscal house in order, the caseloads are dropping due to tighter administrative control on the public assistance program, unfortunately we have yet to see constructive help from HEW

Sincerely yours,


(Mrs) Helene Wohlgenuth